IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL UNDER SECTION 109 No 17 of 1995

For Approval and Signature:

Hon'ble MR.JUSTICE K.M.MEHTA

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : YES Yes

2. To be referred to the Reporter or not? Yes

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO No

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO No

5. Whether it is to be circulated to the Civil Judge? : YES

To be circulated to Dist.Judge, lower court

M/S.TORRENT PHARMACEUTICALS LTD.

Versus

THE WELLCOME FOUNDATION LTD

Appearance:

MR RR SHAH for Petitioner

MR. VYAS FOR MR GN SHAH for Respondent No. 1

NOTICE SERVED for Respondent No. 2

CORAM : MR.JUSTICE K.M.MEHTA

Date of decision:11/07/2001

C.A.V. JUDGEMENT

1. M/s Torrent Pharmaceuticals Ltd-original

applicant-appellant-petitioners herein have filed this appeal against the judgment and order, dated 19.8.94 passed by the Assistant Registrar of Trade Marks-the respondent No.2 herein wherein he has allowed the opposition No.AMD 425 filed by Welcome Foundation Ltd. (hereinafter referred to as "the opponent No.1") and application No.483813 in class 5 of Fourth Schedule of the Act is ordered to be refused for registration under the provisions of Trade & Merchandise Marks Act, 1958 (hereinafter referred to as "the Act").

2. FACTS:

2.1 The appellants are company incorporated under the provisions of the Companies Act and carrying on business at Ahmedabad.

2.2 The appellants filed application on 1.5.1988 and applied for registration of Trade Mark "TROVIREX" vide application No.433813 in class 5 of Fourth Schedule of the Act in respect of medicinal and pharmaceutical preparations. The aforesaid application was accepted for registration by the respondent No.2 herein and was accordingly advertised in Trade Mark Journal No.102 dated 1.3.1992 on page 1479 of journal No.1026 dated 1.3.92. Copy of the said trade mark journal has been produced at Exh.A to the memo of appeal.

2.3 The Welcome Foundation Ltd., an English Company, respondent No.1 herein gave a notice on 27.4.92 of their intention to oppose the registration of the trade mark advertised as aforesaid on the ground of its violation of sections 9, 11(a), 11(e), 12(1) and 18(1) of the Act. On 27.7.92 the applicants contested the said notice of opposition by filing their counter statement (under section 26 of the Act) consisting the grounds in support of the registration of the application as well as the grounds in rebuttal to the objections taken by the opponents in their notice of opposition. The opponents objected to the said application on the ground that one of their trade marks are ZOVIRAX which was registered since 17.78.77 in class 5 and another ZOVIREX in class 5 in respect of pharmaceuticals and medicinal preparations and substances having registered since 17.8.77 and 14.4.78 respectively.

2.4 The opponent-respondent No. 1 on 30.3.93 filed evidence in support of their opposition by way of affidavit, dated 24.3.93 in the name of Shri Alan Sinclair Cox-Trade Marks Manager in the opponents company annexing therewith list of various trade marks of the opponents registered in different countries in the world which was

produced at annexure "A" to the said affidavit. In the said affidavit it was stated that in India, their company conducts its business through its associate company, Burroughs Wellcome (India) Ltd. having address at Bombay in which their company has an equity stake of 40%. It was further stated that the company has permitted Burroughs Wellcome (India) Ltd. to use, interalia, its trade marks in relation to its goods only so long as they are manufactured and marketed by Burroughs Wellcome (India) Ltd. It has also decided to manufacture in strict accordance with the specifications, formulae and standards of quality laid down, directions and instructions given and information supplied by the company only so long as the company through its authorised representatives has the right and is permitted to inspect the goods made and sold by Burroughs Wellcome (India) Ltd. It was further stated that owing to the control and supervision exercised by the company over Burroughs Wellcome (India) Ltd. the goods produced and sold by Burroughs Wellcome (India) Ltd. under Zovirax-series of trade marks or any of them conform to international standards of quality and thus command great reputation and valuable goodwill among members of the medical profession, pharmaceutical industry and the relevant class of patients in India.

2.5 The applicant filed affidavit in reply in support of application on 28.5.93. The affidavit was filed in the name of Shri Divyang R.Shah , the company Secretary of the applicant-Company.

2.6 The opponents filed their reply evidence on 12/11/1993 by way of affidavit, dated 21.10.1993 in the name of Shri Alan Sinclair Cox- the Trade Marks Manager of their company.

2.7 The Assistant Registrar of Trade Marks thereafter heard the application of the opponents somewhere on 28.1.1994 when respective counsel for the applicants and opponents appeared before him.

2.8 After hearing the parties, the Assistant Registrar of Trade Marks, by his order, dated 19.8.1994 came to conclusion that the marks, i.e. marks of applicant and opponents have the highest degree of resemblance visually as well as phonetically. The Assistant Registrar also came to conclusion that the mark applied for, i.e. TROVIREX is deceptively similar to the opponents' registered trade marks namely ZOVIREX and ZOVIREX. The Assistant Registrar also came to conclusion that on perusal of the record he did not find any evidence that the mark applied for is in respect of Schedule "H" drug. The Assistant Registrar also

came to conclusion that the mark applied for is so nearly resembling to the opponents' registered trade mark as to likely to deceive or cause confusion, hence, are the deceptively similar trade marks, and it was held that both the conditions required to invoke the prohibition contained under section 12(1) of the Act are fulfilled, therefore, the registration of the mark applied for namely TROVIREX is prohibited by operation of section 12(1) of the Act. The Assistant Registrar also came to conclusion that the proposed use of the mark applied for which is deceptively similar to the opponents' trade marks shall definitely create confusion in the minds of consumers who are acquainted with the opponents' product under their aforesaid trade marks. The registration of the mark applied for is, therefore, prohibited by operation of section 11(a) of the Act. In view of the same, the Assistant Registrar allowed the opposition of the opponent and refused the registration of the applicant-Trade mark.

3. STATUTORY BACKGROUND:

3.1 The Trade And Merchandise Marks Act, 1958 (hereinafter referred to as "the Act") has been enacted to provide for the registration and better protection of trade marks and for the prevention of the use of fraudulent marks on merchandise.

3.2 Section 2(1)(d) provides definition of "Deceptively similar" means a mark shall be deemed to be deceptively similar to another mark, if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

3.3 Section 2(1)(j) provides definition of "mark" means 'mark' includes a device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof".

3.4 Section 2(1)(p) defines "registered" means "registered under this Act".

3.5 Section 2(1)(r) defines "registered the trade mark" means "a trade mark which is actually on the register".

3.6 Section 2(1) (v) defines "trade mark" means--

(i) in relation to chapter X (other than s.81)
a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some persons having the right as proprietor to use the mark; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with our without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII.

Chapter II provides for Register and Conditions for Registration.

Chapter III provides for Procedure for and duration of Registration

3.7 Section 9 provides for requisites for registration in Parts A & B of the register.

3.8 Section 11 provides for prohibition of registration of certain marks and reads as under:

A mark--

(a) The use of which would be likely to deceive or cause confusion, or

(b) The use of which would be contrary to any law for the time being in force, or

(c) Which comprises or contains scandalous or obscene matter, or

(d) Which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India, or

which would otherwise be disentitled to protection in a court shall not be registered as a trade mark.

3.9 Section 12 provides for prohibition of registration of identical or deceptively similar trade marks and reads as under:

(1) Save as provided in Sub.sec(3), no trade mark shall be registered in respect of any goods or description of goods which is identical with or deceptively similar to a trade mark which is already registered in the name of a different proprietor in respect of the same goods or

description of goods.

(2) Where separate applications are made by different persons to be registered as proprietors respectively of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods, the registrar may defer the acceptance of the application or applications bearing a later date until after the determination of the proceedings in respect of the earlier application, and may dispose of such application or applications in the light of the evidence tendered in relation to earlier application and the oppositions thereto, if any.

(3) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other (whether any such trade mark is already registered or not) in respect of the same goods or description of goods, subject to such conditions and limitations, if any as the Registrar may think fit to impose.

3.10 Chapter III provides for procedure for duration of registration. Section 18 provides for application for registration. This section provides as to how application for registration to be made. Once Registrar accepts the application for registration, the application is required to be advertised under section 20 in Trade Mark journal. Once such application is advertised there may be opposition for registration of trade mark in favour of applicants and therefore section 21 makes provision for lodging such opposition and as to how such opposition is to be dealt with.

3.11 Section 21 reads as under:

"Section 21. Opposition to registration:

(1) Any person may within three months from the date of the advertisement or re-advertisement of an application for registration or within such further period not exceeding one month in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, allows, give notice in writing in the

prescribed manner to the Registrar of opposition to the registration.

(2) The registrar shall serve a copy of the notice on the application for registration and within two months from the receipt by the applicant of such copy of the notice of opposition, the applicant shall send to the Registrar in the prescribed manner a counter statement of the grounds on which he relies for his application and if he does not do so, he shall be deemed to have abandoned his application.

(3) If the applicant sends such counter statement the Registrar shall serve a copy thereof on the person giving notice of opposition.

(4) Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within prescribed time to the Registrar, and the Registrar shall give an opportunity to them to be heard if they so desire.

(5) The Registrar shall, after hearing the parties, if so required, and considering the evidence decide whether and subject to what conditions or limitations, if any, the registration is to be permitted, and may take into account a ground of objection whether relied upon by the opponent or not.

(6) Where a person giving notice of opposition or an applicant sending a counter statement after receipt of a copy of such notice neither resides nor carries on business in India, the Registrar may require him to give security for the costs of proceedings before him and in default of such security being duly given, may treat the opposition or application, as the case may be, as abandoned.

4. Shri R.R.Shah, the Ld. advocate for the appellant has made the following submissions:

4.1 He has stated that the learned Assistant Registrar of Trade marks has completely misdirected himself in passing the order under section 12(1) of the Act against the appellants. He has further stated that the learned Assistant Registrar of Trade Marks has failed to consider the application even in section 12(3) of the Act. He has further stated that the learned Assistant Registrar of Trade Marks has completely misdirected himself in passing

the order under section 11(a) of the Act against the appellants. He has submitted that the learned Assistant Registrar of Trade Marks has failed to consider the fact that the prefix of a mark or a first syllabi is important while considering the rival marks as to whether they are identical or deceptively similar to each other. He has further stated that the learned Assistant Registrar of Trade Marks has erred in appreciating the fact that the appellants' trade mark applied for is to be used in respect of schedule "H" drug. That the learned Assistant Registrar of Trade Marks has failed to consider that the mark applied for is an invented one and does not conflict with the trade mark ZOVIRAX of the respondent No.1. The learned Assistant Registrar also failed to appreciate consider that the respondent No.1 has not filed any evidence of user of the trade mark ZOVIREX in India.

4.2 The learned counsel has relied on the judgment of the Division Bench of this court (Coram: R. Balia & A.R.Dave,JJ) decided in OJ Appeal No.11/93 decided on 8.12.1998. In that case the question before the Division Bench was as to whether the registration of trade mark "Ulciban" was deceptively similar to the trade mark "CIBA" of the opponent or not. The Division Bench was pleased to make following observations:

> "In comparing two work marks to find out what is the essential feature of the mark in use and the mark proposed to be used, the first syllable provides an important guideline which is of utmost importance in the word mark.
>
> The test of relative resemblance between comparative marks must depend upon whether the proposed mark contains element of earlier mark in its essential character in prominent way. If the same is used with its projection in any manner prominently, so as to create an impression that addendums are superfluous, the same may be ignored and the substance of the matter may be seen, but at the same time, merely because those very letters in the same order are part of a different word, which is independent of other,the latter can not be denounced by straining to find out similarity. The likelihood of deception must be in ordinary and spontaneous reaction to the marks and not through a strained of an expert.
>
> In this connection, it is very relevant that

somebody buying a prescribed drug is not really concerned with trade origin of the drug. He is most concerned with what has been prescribed by the doctor. Moreover, as we have noticed above, confusion can be caused in three ways, confusion as to goods, confusion as to trade origin and confusion as to trade connection. In the matter of dispensation of medicinal preparation, test relates to trade origin or trade connection is not of much importance inasmuch as average man of common intelligence who has to purchase drugs on doctor's prescription is not concerned either with trade origin or trade connection, but with the goods itself. This confusion which is likely to be caused in that field attracts more importance than other factors.

What is to be considered in the context of inhibition under section 11 is the probable effect of normal and fair use of applicant's mark and not by assuming strained and unfair abnormal use by any unscrupulous men and public. In other words, the test is by assuming that mark sought to be registered is to be used in fair and normal way and by user in such way, what is its probable effect vis a vis impression of actual user of the opponent's mark.

4.3 Mr.R.R.Shah in support of his contentions relied on the judgment reported in Johann A Wulfing vs Chemical Industrial & Pharmaceutical Laboratories Ltd. reported in AIR 1984 Bombay 281. In that case the Bombay High Court was considering whether the word CIPLAMINA is deceptively similar to word COMPLAMINA. In para 8 of its judgment the Division Bench of the Bombay High Court held as under:

"The court is not concerned with hypothetical possibilities but with ordinary practical business probabilities having regard to the circumstances of the case.(F.Hoffmann Roche vs Sanitex Chemical Industrties (1965) 67 Bom LR 729). In the present case, all things considered, (visually and phonetically). We do not see any real tangible danger of 'confusion in the mind of the public which will lead to confusion in the goods"(Pianotist case, (1906) 23 RPC 774 at p.777)".

4.4 The learned counsel for appellants has also relied on the judgment of Bombay High Court in the case of Cluett Peabody & Co.Inc vs Arrow Apparals reported in 1998 PTC (18). In that case the plaintiff filed suit to restrain infringement plaintiff Nos.1 registered trade mark "ARROW" consisting of word mark "ARROW" and also the device of "ARROW" in relation to ready made garments. The suit was also to restrain the defendant from in any manner using in relation to ready garments the infringed mark "ARROW" and of device 'ARROW' or any mark deceptively similar thereto on deceptively similar to any marks mentioned in Exh.A to the plaint so as to pass of or enable others to pass of the goods of the defendants as and for the goods of the plaintiffs. On page 178 the court observed as under:

> "The suit is rightly filed by the plaintiffs because they are the registered proprietors of the trade mark. This position can not be disputed. However, in the present case, this court is of the opinion that the defendants have made out a strong primafacie case that they have used the mark right from 1985 to the knowledge of the World at oarge and without any interruption."

The court on page 180 observed as under:

> "There is no prima facie evidence of user by the plaintiffs in India of the mark ARROW either by affixing the mark on goods or in relation to the goods of the plaintiffs in India. All the advertisements are post 1991. I am not inclined to rely upon the advertisements of 1980 in TIME magazine. There is nothing to indicate that TIME magazine, in 1980 was available on the counter in India. In fact, it is contended by the defendants that TIME magazine was not available to the public in India during the relevant period. There is no evidence of the reputation of the plaintiffs coming to India before 1985. Therefore, taking into the above facts, there is a strong effect of delay on the nature of the relief and I am not inclined to grant injunction in favour of the plaintiffs."

4.5 Learned counsel has also relied on the judgement of this court in the case of CADBURY INDIA LIMITED VS. S.M. DYECHEM LIMITED reported in 41(1) GLR 680. In that case the plaintiff registered a label mark PIKNIK with particular design for marketing potato chips, wafers etc. with defendant marketing chocolate product in the name of

CADBURA PICNIC. On page 699 at para 39 it is observed thus:

> "In these circumstances, there is absolutely no scope of any deception or confusion or passing off. The products of the defendant and the plaintiff are distinct and there is also no scope of passing off because the defendant's products are brought because of the defendant's reputation as Cadbury. In the instant case, even the labels of the defendant and the plaintiff are different and distinctive and there is no scope of confusion and deception in the mind of an average buyer. In view of the aforesaid discussion, there is no scope of passing off the defendant's goods as and for that of the plaintiff."

At para 40 it is further observed as under:

> "In view of the discussion made in the foregoing paragraphs, following aspects are high-lighted:
>
> (i) Plaintiff's trade mark having a label containing the word `PIKNIK' written in a particular script and manner with a caricature of a little boy above it though registered having a phonetic similarity to the word found in dictionary word picnic.
>
> (ii) The word PIKNIK on that label is neither invented nor a distinctive word and it is also not an essential feature of the plaintiff's trade mark which is a label. Therefore, no action for infringement against the defendant can lie.
>
> (iii) Since registration which is granted to the plaintiff is a label mark such registration does not prevent any one from using the dictionary word Picnic with respect to its goods and therefore also no action of infringement would take place.
>
> (iv) The articles manufactured and marketed by both the plaintiff and defendant are different and therefore also no action of infringement would arise.
>
> (v) So far as passing off is concerned, both the products are different, labels are different and, therefore, no scope of confusion or deception in the mind of common buyer. Therefore, there is no scope of passing off the goods of the defendant as

and for that of the plaintiff.

(vi) Since there is no infringement, there is no prima facie case.

(vii) In view of the new formula elucidated in the case of American Cyanamid (supra) balance of convenience is tilted in favour of the defendant. If it appears that the damages awarded at the trial will adequately compensate the plaintiff and the defendant is likely to be able to pay, then, interlocutory relief should not normally be granted. Applying this principle to the present case, it appears to me that to grant an injunction will be to cut off for good the road to commercial success of a business competitor. In the event of the plaintiff's success damages will be an adequate remedy. The defendant's financial position to pay damages has not been questioned before me and they are prepared to give an undertaking. Therefore, the balance of convenience lies in favour of refusing the interlocutory relief that is sought."

4.6 The learned counsel for the petitioner has further relied on the decision of the Hon'ble Supreme Court in the case of S.M. DYECHEM LTD. VS. CADBURY (INDIA) LTD. reported in (2000) 5 SCC 573 where the appeal arose out of the judgement of this court in the case of CADBURY (INDIA) LTD. VS. S.M. DYECHEM LTD. (supra). On page 596 at para 35, the Hon'ble Court has observed as follows:

"It appears to us that this Court did not have occasion to decide, as far as we are able to see, an issue where there were also differences in essential features nor to consider the extent to which the differences are to be given importance over similarities. Such a question has arisen in the present case and that is why we have referred to the principles of English law relating to differences in essential features which principles, in our opinion, are equally applicable in our country."

4.7 Ultimately the Hon'ble Court has confirmed the view of this court and dismissed the appeal.

5. Ld. Counsel appearing for opponent company, Mr.J.P.Vyas, has submitted as under.

5.1 The proposed trade mark of the appellant TROVIREX can not be registered as the use of which would be likely

to deceive or cause confusion and which is identical with or deceptively similar to the already existing registered trade mark of the respondent ZOVIREX under section 11() and section 12(1) of the Trade and Merchandise Marks Act, 1958.

5.2 The test to be applied in determining whether two marks are identical with or too nearly resembles each other or is likely to deceive or cause confusion or deceptively similar is in nutshell the test of an average person with imperfect recollection. The court has to visualise a customer or a tradesman or a citizen who may happen to have dealings with the company complaining or who may happen to want to purchase the goods manufactured b such company and decide whether such a customer or tradesman or citizen would get confused and whether an ordinary citizen who may have occasion to deal with the company in the course of business dealings would mistake one for the other.

5.3 On perusal of the record he does not find any evidence that the mark applied for is in respect of schedule "H"drug and the goods, as revealed by the applicants (i.e. appellants) in their application are medicinal and pharmaceutical preparations but all medicinal and pharmaceutical preparations are not schedule H drugs as per the drugs and cosmetic rules. Since there is no mention of any specific drug in respect of which the mark applied for is proposed to be used, it can not be taken that the mark applied for is in respect of schedule H drugs.

5.4 That though such medicines like that of an appellant may be sold on doctor's prescription, but it is not unknown that the same are also available across the counter in shops of various chemists. It is also not unknown that the chemists who may not have TROVIREX may give ZOVIREX to an unwary purchaser with imperfect recollections. In the present circumstances Doctor's prescription factor has lost is importance since the reality of the situation can not be ignored. In India scheduled drugs which are to be sold under doctor's prescription are even sold without production of doctor's prescription and as such reduces the weightage that can be given to this aspect of the matter while considering the question deceptive similarity. The marks TROVIREX and ZOVIREX are so identical and deceptively similar to each other that it outweighs the weightage to be given to the factor that the goods are scheduled drugs.

5.5 The respondent's trade mark is international trade mark has acquired an international reputation and good will and is registered in almost all the countries across the

globe including India. (See pages 46 to 57) of the paper books showing the registration of trade mark of the respondent across the globe and see para 3 on page 38, para 4,5 and 6 on page 39 and para 7 on page 40 of the affidavit in support of the opposition). Thus, the respondent is not required to show the actual performance or volume of sales in India. A company with a reputation which is established internationally can sue to protect it in this country even if it does not have any business activity here.

5.6 In other words, reputation of a product may precede its introduction and may exist without trade in such product in the country. Where the two products in question were pharmaceutical preparations with deceptive similarity and the foreign manufacturer company choose the name first and use it on its product in several countries around the world excluding India whereafter the Indian company entered the market with their product and the foreign company together with certain Indian pharmaceutical companies set up a joint venture company for sale of its products in India and had applied for registration of the disputed trade mark before the Registrar of Trade Marks. Indian company can be restrained from using the trade mark. Moreover, if it is possible for a purchaser of the Indian Company's product in India to do so under the impression that he is buying the foreign company's product, the Indian company as the subsequent adopter of the mark must be restrained from doing so. Further, once the foreign product is released in the Indian market, the consequences may well prove disastrous given the fact that in India drugs are available without prescription.

5.7 Even if the appellant confines its mark to antiviral drug scheduled H or confines its sale within the territory of India. The possibility of likelihood of the confusion or deceptive similarity between the two marks can not be eliminated as the respondent is already treading with the goods under the trade mark ZOVIREX in India. Even if it is assumed that the respondent is not trading in India, by confining the trading within the territory of India by the appellant would not eliminate the chances of likelihood of confusion and deceptive similarity.

5.8 The Assistant Registrar of Trade Marks having held that the use of TROVIREX (petitioner's application) would likely to deceive or cause confusion within the meaning of section 11(a) and having held that the petitioner's trade mark TROVIREX is identical with and deceptively similar to the trade mark of the respondent ZOVIREX has rightly not exercised discretion in favour of petitioner by allowing the petitioner to have its trade mark registered under

section 12(3) of the trade mark act as section 12(3) empowers the registrar to permit registration only under section 12 of the trade marks act but the said discretionary power can not be extended beyond section 12 especially when the trade mark in the present case is not only found likely to deceive or cause confusion under section 11(a) but also found identical with or deceptively similar to the respondent's trade mark under section 12(1) of the Act.

5.9 The Assistant registrar was right in not exercising a discretionary power under section 12(3) as the same requires as a condition precedent of the honest concurrent use which is lacking in the present facts of the case.

5.10 The learned counsel has relied on the recent judgement of the Hon'ble Supreme Court in the case of CADILA HEALTH CARE LIMITED VS. CADILA PHARMACEUTICALS LIMITED reported in JT 2001(4) SC 243 where the Apex Court was considering the question of temporary injunction in relation to trade mark that the plaintiff was manufacturing "Falcigo" whereas the defendant was manufacturing "Falcitab". The drug only to be sold to hospitals and institutions for treatment of the same disease. The Trial Court did not grant injunction and also the High Court did not grant injunction. Thereafter, the matter went to the Hon'ble Supreme Court. The Hon'ble Supreme Court after considering its earlier decisions including judgement in the case of F. HOFFMANN-LA ROCHE & CO. LTD. VS. GEOFFREY MANNER & CO. PVT. LTD. reported in 1969(2) SCC 716 on page 260 at paras 31 has observed as under:

> "Trademark is essentially adopted to advertise one's product and to make it known to the purchaser. It attempts to portray the nature and, if possible, the quality of the product and over a period of time the mark may become popular. It is usually at that stage that other people are tempted to pass off their products as that of the original owner of the mark. That is why it is said that in a passing off action, the plaintiff's right is "against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which other has established for himself in a particular trade or business. The action is regarded as an action for deceit" (See Wander Ltd. V. Antox India Pvt. Ltd., (1990 Suppl. SCC 727)"

Again in para 32 the Hon'ble Court further observed thus:

"Public interest would support lesser degree of proof showing confusing similarity in the case of trademark in respect of medicinal product as against other non-medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, therefore, be life threatening, not merely inconvenient. Noting the frailty of human nature and the pressures placed by society on doctors, there should be as many clear indicators as possible to distinguish two medicinal products from each other. It is not uncommon that in hospitals, drugs can be requested verbally and/or under critical pressure situations. Many patients may be elderly, infirm or illiterate. They may not be in a position to differentiate between the medicine prescribed and bought which is ultimately handed over to them. This view finds support from McCarthy on Trademarks, 3rd Edition, para 23.12 of which reads as under:

`The tests of confusing similarity are modified when the goods involved are medicinal products. Confusion of source or product between medicinal products may produce physically harmful results to purchasers and greater protection is required than in the ordinary case. If the goods involved are medicinal products each with different effects and designed for even subtly different uses, confusion among the products caused by similar marks could have disastrous effects. For these reasons, it is proper to require a lesser quantum of proof of confusing similarity for drugs and medicinal preparations. The same standard has been applied to medicinal products such as surgical sutures and clavicle splints."

On page 262 at para 35 it is held as under:

"Broadly stated in an action for passing off on the basis of unregistered trademark generally for deciding the question of deceptive similarity the following factors to be considered:

(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.

(b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

(c) The nature of the goods in respect of which they are used as trade marks.

(d) The similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods and

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks."

5.11 As regards earlier judgement of the Hon'ble Supreme Court in the case of S.M. DYECHEM LTD. VS. CADBURY (INDIA) LTD. (supra), a three Judge Bench of the Supreme Court has partly dissented from ratio of the said judgement in the case of CADILA HEALTH CARE LTD. (supra). The Hon'ble Supreme Court has observed in paragraph Nos. 18, 19 20, thus:-

"Para 18 - We are unable to agree with the aforesaid observations in Dyechem's case (supra). As far as this Court is concerned, the decisions in the last four decades have clearly laid down that what has to be seen in the case of a passing off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion. This is evident from the decisions of this Court in National Sewing Thread Co. Ltd.'s case (AIR 1953 SC 357), Corn Products Refining Company's case (1960(1) scr 968), Amritdhara Pharmacy's case (air 1963 SC 449), Durga Dutt Sharma's case (AIR 1965 SC 980), Hoffmann-La Roche & Co. Ltd.'s case (supra). Having come to the conclusion, in our opinion incorrectly, that the difference in essential features is relevant, this Court in Dyechem's case (supra) sought to examine the difference in the two marks "Piknic" and "Picnic". It applied three tests, they being (1) is there any special aspect of the common

feature which has been copied? (2) mode in which the parts are put together differently i.e. whether dissimilarity of the part or parts is enough to make the whole thing dissimilar and (3) whether when there are common elements, should one not pay more regard to the parts which are not common while at the same time not disregarding the common parts? In examining the marks, keeping the aforesaid three tests in mind, it came to the conclusion, seeing the manner in which the two words were written and the peculiarity of the script and concluded that "the above three dissimilarities have to be given more importance than the phonetic similarity or the similarity in the use of the word PICNIC for PIKNIK.

Para 19 - With respect, we are unable to agree that the principle of phonetic similarity has to be jettisoned when the manner in which the competing words are written is different and the conclusion so arrived at is clearly contrary to the binding precedent of this Court in Amritdhara's case (supra) where the phonetic similarity was applied by judging the two competing marks. Similarly, in Durga Dutt Sharma's case (supra), it was observed that "in an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated."

Para 20 - Lastly, in Dyechem's case (supra) it was observed in para 54 as under:

`As to scope of a buyer being deceived, in a passing off action, the following principles have to be borne in mind. Lord Romer L.J. has said in Payton & Co. Vs. Snelling Lampard & Co. (1900) 17 RPC 48 that it is a misconception to refer to the confusion that can be created upon an ignorant customer that the courts ought to think of in these cases is the customer who knows the distinguishing characteristics of the plaintiff's goods, those characteristics which distinguish his goods from other goods in the market so far as relates to general characteristics. If he does not know that, he is not a customer whose views can properly be

regarded by the Court. (See: the cases quoted in N.S. Thread & Co. Vs. Chadwick & Bros.) (AIR 1948 Mad 481) which was a passing off action). In Schweppes' case (1905) 22 RPC 601 (HL) Lord Halsbury said, if a person is so careless that he does not look and does not treat the label fairly but takes the bottle without sufficient consideration and without reading what is written very plainly indeed up the face of the label, you cannot say he is deceived.'

These observations appear to us to be contrary to the decision of this Court in Amritdhara's case (supra) where it was observed that the products will be purchased by both villagers and townfolk, literate as well as illiterate and the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. A trade may relate to goods largely sold to illiterate or badly educated persons. The purchaser in India cannot be equated with a purchaser of goods in England. While we agree that in trade mark matters, it is necessary to go into the question of comparable strength, the decision on merit in Dyechem's case (supra) does not, in our opinion, lay down correct law and we hold accordingly."

5.12 As regards Schedule H drug is concerned, in paras 21, 22, 23, 24, 25, 26 and 27 the Court has made its observations. Paragraphs 26 and 27 read thus:

"Para 26 - It was further submitted on behalf of the appellant that although the possibility of confusion in a drug being sold across the counter may be higher, the fact that a drug is sold under prescription or only to physicians cannot by itself be considered a sufficient protection against confusion. The physicians and pharmacists are trained people yet they are not infallible and in medicines, there can be no provisions for mistake since even a possibility of mistake may prove to be fatal.

Para - 27 As far as present case is concerned, although both the drugs are sold under prescription but this fact alone is not sufficient to prevent confusion which is otherwise likely to occur. In view of the varying infrastructure for supervision of physicians and phramacists of medical profession in our country due to linguistic, urban, semi-urban

and rural divide across the country and with high degree of possibility of even accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken."

5.13 The learned counsel has therefore submitted that this court is not bound by the judgement of this court in CADBURY (INDIA) LTD. VS. S.M. DYECHEM LTD. (supra) as well as the judgement of the Supreme Court in the same case to the extent the Apex Court has overruled in this behalf in Cadila's case (supra).

5.14 The learned counsel for the respondent has relied on the following authorities in support of the contention that the application mark of the petitioner is deceptively same to the existing registered trade mark of the respondent.

(i) AIR 1963 SC 449 - "LAKSHMANDHARA" and "AMRITDHARA" deceiptively similar.

(ii) AIR 1970 SC 46 - "ANDAL" to be deceptively similar to "AMBAL"

(iii) AIR 1978 GUJ. 216 - "SIMATUL" likely to cause confusion and deceptively similar to "CIBATUL"

(iv) AIR 1979 CAL 133 - "FORMIS" could not be registered likely to create confusion with the trade mark "CHARMIS"

(v) AIR 1989 DEL. 157 - "TREVICOL" was held to have phonetically deceptive similarity to "FEVICOL"

(vi) AIR 1984 P&H 430 "BEPLEX" and "BELPLEX" are phonetically and visually similar and likely to create confusion and deceptively similar.

(vii) AIR 1989 DEL. 44 - "CALMPOSE" phonetically and visually similar and likely to cause confusion and deceptively similar to "CALMPROSE".

(viii) RANBAXY LABORATORIES LTD. VS. DUA PHARMACEUTICALS PVT. LTD. reported in AIR 1989 DELHI 44.

(ix) ALLERGAN INC VS. MILMENT OFTHO INDUSTRIES reported in AIR 1998 CALCUTTA 261.

6. Mr. Vyas, learned advocate for the respondent stated that Section 11 of the Trade and Merchandise Marks

Act, 1958 provides prohibition of registration of certain marks. A mark shall not be registered as trade mark provided the use of which would be likely to deceive or cause confusion. Section 12 of the Act also provides prohibition of registration of identical or deceptively similar trade marks. However, Section 12(3) of the Act provides for an exception to the Trade Mark Act. In view of the same, the learned counsel for the respondent stated that therefore, the meaning of likelihood of confusion and deception is an important aspect. For that purpose the learned counsel for the respondent has relied on Halsbury's Laws of England, 4th Edition, Volume 48, para 163 on page 114. Para 163 reads thus:-

"Establishing deception or confusion - To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements: (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected. While it is helpful to think of these two factual elements as two successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to (a) the nature and extent of the reputation relied upon, (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business, (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff, (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors, and (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question as to whether the defendant can be shown

to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.

The evidence which is admissible on the question of likelihood of deception or confusion, and the way in which the court assesses it, including the significance to be attached to the presence or absence of actual instances of confusion, are discussed subsequently in relation to both passing off and infringement of trade marks."

6.1 Learned counsel for the respondent has also invited my attention to Kerly's Law of Trade Marks and Trade Names, 13th Edition (2001) particularly Chapter 8 which provides relative grounds for refusal of registration. In part 2 - conflicts with earlier trade marks - the objections in outline - para 8.23 provides similarity of marks as a relevant factor. Para 8.23 reads thus:

"In cases where the marks are not identical then clearly a most important part of the assessment of the likelihood of confusion must involve a consideration of the degree of similarity between them."

6.2 Para 8.35 - provides for overall impression is to be considered which reads as under:-

"The global appreciation of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based upon the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details."

6.3 Para 8-59 provides confusion as to origin which reads as under:-

"The sort of confusion required to satisfy this provision is confusion as to origin. It is not enough that on seeing the mark the subject of the application, the earlier mark is "called to mind" if there is no possibility of the customer being under any misapprehension as to the origin of the

goods or services. The mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of the provision."

6.4 He has also relied on Law of Trade Marks (Trade Marks Act, 1999) and Passing Off, 5th Edition by P. Narayanan, at para 25.57 on page 539. The relevant portion is reproduced hereunder:

"In Halsbury's Law of England, 4th Ed., Reissue 1995, Vol. 48, para 184, the subject has been dealt with as follows:

`To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires presence of two factual elements -

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class or person; and

(2) that members of the class will mistakenly infer from the defendants' use of a name, mark or other feature which which is the same or sufficiently similar that the defendants goods or business are from the same source of or connected.

While it is helpful to think of these two factual elements as two successive hurdles which the plaintiff must surmount consideration of these two aspects, cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;
(b) closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
(c) the similarity of the mark, name, etc. used by the defendant to that of the

plaintiff;

(d) the manner in which the defendants make use of the name, mark etc. complained of and collateral factors, and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent, although a fraudulent intent is not a necessary part of the cause of action, quoted in SBL Ltd. V. Himalaya Drug 67 (1997) DLT 803 at 810 (DB)."

7. The learned counsel for the respondent stated that in view of the above submission and the authorities cited, particularly, judgement in the case of Cadila (supra) the respondent is able to prove that the trade mark of respondent `Zovirex' and another trade mark `Zovirax' is likely to cause confusion and deceptively similar to the applicant's proposed trade mark namely, `Trovirex'.

7.1 In my view the function of trade mark is to give an indication to the purchaser or possible purchaser as to the manufacture of quality of the goods to give an indication to his eye of the trade source from which the goods come, or the trade hands through which they pass on their way to the market. It tells the person who is going to buy, that the product presented to him is either what is known to him under the similar name as coming from a source with which he is familiar or that it is what he has heard of before as coming from that source. It gives the purchaser a satisfactory assurance of the mark and quality of the article he is buying, particular quality being not discernible by the naked eye. It is on the faith of the mark being genuine and representing a quality equal to that which he has previously found a similar mark to indicate, that the purchaser makes his purchase.

8. In my view the finding of the Registrar of Trade Marks that both the marks have the highest degree of resemblance visually as well as phonetically and the word `Trovirex' is deceptively similar to the opponent's registered trade marks `Zovirax' and `Zovirex' is correct. The word `Trovirex' is so nearly resembling to opponent's registered trade mark `Zovirex' so as to cause confusion amongst general public i.e. an average man with imperfect

recollection. In my view both the conditions specified under Sections 11 and 12(1) of the Act are satisfied and therefore the objection raised by the opponent in his opposition should be considered as well founded and the application of the applicant for registering the trade mark `Trovirex' should be rejected. This court therefore confirms the order and finding of the Registrar in this behalf. In my view the opinion of the Registrar should not be lightly disturbed because he has an expert knowledge in the matter.

9. I have considered the submissions of Mr. R.R. Shah, learned advocate for appellant. The proposed trade marks are of such a nature as to deceive the public as to quality and origin of goods and therefore the said trade marks must be refused registration by the Registrar in this behalf.

9.1 I have considered the submissions of the counsel for the respondent Company Mr. Vyas which I set out in paragraph Nos. 5.1 to 5.9. In my view when the Assistant Registrar of Trade Marks having held that use of `TROVIREX' (petitioner's application) would likely to deceive or cause confusion within the meaning of Section 11(a) and having held that the petitioner's trade mark `TROVIREX' is identical with and deceptively similar to the trade mark of the respondent `ZOVIREX' and `ZOVIRAX' has rightly not exercised the discretion in favour of the petitioner by allowing the petitioner to have its trade mark registered under Section 12(3) of the Trade Mark Act as Section 12(3) empowers the Registrar to permit registration only under Section 12 of the Trade Marks Act but the said discretionary power cannot be extended beyond Section 12 especially when the trade mark in the present case is not only found likely to deceive or cause confusion under Section 12(a) but also found identical with or deceptively similar to the respondent's trade mark under Section 11 of the Act. In my view the Registrar of Trade Mark was right in not exercising the discretionary power under Section 12(3) as the same requires as a condition precedent of the honest concurrent use which is lacking in the present facts of the case.

9.2 In my view, the respondent has successfully proved that the petitioner's proposed mark is of such a nature as to deceive the public or cause confusion. The respondent is able to establish that if the petitioner's trade mark application is allowed then the said trade mark by virtue of:

(a) its identity with the registered trade mark (of

respondent) and the similarity of the goods covered by registered trade mark of respondent, or

(b) its similarity to the registered trade mark and the identity or similarity of the goods covered by such registered trade mark of respondent.

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

10. As pointed out by this court in the case of SIMATUL CHEMICAL INDUSTRIES PVT. LTD. VS. CIBATUL LIMITED reported in 19 GLR 315 deception between two trade marks is not only concerned with two persons but is concerned with the consumers and interest of general public will have to be seen and therefore in any view of the matter the registration asked for by the petitioner should not be considered in this behalf. The learned counsel has relied on para 9 on 327 which reads thus:

"In our opinion, in view of the law on the subject which appears to be firmly settled, it is futile to contend that the plaintiff Company cannot claim an injunction restraining the defendant-Company from carrying on its business in a name so deceptively similar as to cause confusion amongst those who may be concerned in dealings with it. Just as a citizen is entitled to protection in respect of his movable and immovable properties, he is also entitled to seek protection in respect of his proprietary rights in goodwill. As the Copurt will not permit theft of the property of a citizen, it will not permit the theft of the goodwill earned by a citizen. There is also another dimension of the matter. The consumers require to be protected if there is any danger of confusion being caused in their mind and there is likelihood of their being led into believing that the product in reality manufactured by X is manufactured by Y or by someone connected with Y. When a consumer or customer effects a purchase, he is entitled to be assured of the fact that he is purchasing the very goods that he wants and the goods manufactured by a concern in which he has confidence and not goods manufactured by another concern whom the consumer or the customer does not know and that too by reason of the fact that he is deceived into believing that the product is manufactured by the former though it is in fact manufactured by the latter."

11. In my view the probability of confusion and deception is more because the trade marks are used in relation to the pharmaceutical products i.e. similar goods. In my view in this case the deception and confusion of goods clearly established.

12. In view of the same I confirm the order of the Registrar and dismiss the appeal filed by the appellant in this behalf with no order as to costs.

(K.M. MEHTA, J)
(murthy)